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Appendix 1 Public Sector Research



Public Sector Research

- Indiana
 - created a revenue processing center within Department of Revenue
 - planning to process 4.2 million returns annually
 - 140 FTE, an additional 140 part-time at peak tax season (averages to 24,000 transactions per FTE per year)
 - ability to process from satellite locations
 - creating a data warehousing capability
 - little reduction in FTE's and little automation currently in use
 - used input from tax payers in designing forms and new operating procedures
 - credit cards will be used for tax payments (Discover card only)

Public Sector Research cont'd

- Florida
 - Department of Revenue is providing processing services for key state agencies where there is a good business fit
 - 250 regular FTE's, supplemented by up to 150 during peak season
 - processed 7.8 million check based documents last year (~\$20 billion) which averages to 27,400 transactions per FTE per year
 - legislation has been passed requiring EFT sales tax filers to also file the tax return documentation electronically
 - considering a single unified taxation registration system utilizing Oracle software
 - in the process of implementing state of the art imaging technology
 - will increase workflow flexibility and allow for quicker turn around (from a current level of 37-42 days to a future target of 72 hours)
 - helps to address the need for budgetary cuts

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Public Sector Research cont'd

- Illinois
 - Department of Revenue collected ~\$19 billion in fiscal '96
 - processed approximately 8 million check based documents
 - more than 100,000 EFT transactions (larger dollar value receipts)
 - considering processing for other state agencies
 - 31% of dollar volume collected by EFT; 44% through a lock box network and 25% in checks
 - some data entry activity is outsourced
 - Lock boxes
 - revenue processing is outsourced, data is captured by a 3rd party and transmitted to the State via EDI (physical documents follow). This allows for greater focus on compliance activities.
 - mail float reduced a minimum of 2 days and in some cases up to 6 days

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Public Sector Research cont'd

- Alabama
 - Department of Revenue collects approximately \$4 billion annually.
 - Process a total of 3.5 million transactions per year.
 - Utilize lock box processing for sales tax collection.
 - Department of Revenue has incorporated OCR scanning technology for processing checks and coupons and imaging technology to improve the manual data entry function.
 - Data entry FTE's have been reduced 25% to 120 people with the improvements in processing afforded by imaging.
 - Movement of images to desktops within the Department of Revenue was found to be prohibitively expensive and was therefore canceled (estimated at \$10-12 million).